

COLORADO ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS



Colorado is the proud home of three Clean Cities:

Colorado Springs
Denver
Weld/Larimer/Rocky Mountain National Park

Overview

The main incentive for alternative fuel vehicles (AFVs) in Colorado is the rebate program of \$1,500 to \$6,000 per vehicle from the Governor's Office of Energy Conservation (OEC) in partnership with Colorado natural gas and propane fuel providers and the U.S. Department of Energy (DOE). In addition, Colorado offers a 50% state tax credit to vehicle owners who convert or purchase an AFV. By purchasing clean fuel vehicles, fleet owners earn credits that can be sold, traded, or saved to meet future clean fuel vehicle purchase requirements of the Clean Fuel Fleet Program. Most of the Colorado gas and propane fuel suppliers provide support for alternative fuel projects by participating in the state program.

Highlights

\$ Rebate from the OEC of:

- \$1,500 for light-duty vehicles
- \$2,500 for light-duty trucks
- \$3,500 for medium-duty trucks
- \$6,000 for heavy-duty vehicles.

\$ 5% state tax credit to vehicle owners who convert their vehicle to run on an alternative fuel or purchase an AFV.

State Incentives

\$ The OEC, in partnership with the Colorado alternative fuels industry and DOE, offers rebates to qualified fleets and individuals making the switch to alternative fuels. All public and private fleets and individuals are eligible, except fleets operated by the Federal Government and fuel suppliers. Rebates paid to any one fleet or individual are limited to \$100,000 per calendar year, and rebates are available on a first-come first-served basis. The total rebate cannot exceed 50% of the conversion or the incremental cost of the alternative fuel option in a new vehicle. Rebates are capped at the following levels: \$1,500 for light-duty vehicles, \$2,500 for light-duty trucks, \$3,500 for medium-duty trucks (8,500 lbs to 14,000 lbs), and \$6,000 for heavy-duty vehicles (over 14,000 lbs).

Rebates are currently available for natural gas and liquefied petroleum gas (LPG) vehicles. This rebate is not available for electric vehicles (EVs) until electric utilities join the program. Your fuel supplier will determine your rebate amount and approve your application. As of April 1, 1996, rebate applicants may receive an additional financial incentive for purchasing or converting a vehicle that operates on an alternative fuel. This Supplemental Incentive is available to rebate recipients whose application is received by OEC on or after April 1, 1996, and who satisfy the requirements of the rebate application. The amount of the Supplemental Incentive will be the same as the Matching Party check amount. See rebate application for additional information. The funding for the Supplemental Incentive is from a grant in the amount of \$162,000 that has been made available to the Colorado Alternative Fuels Rebate Program from DOE. The Supplemental Incentive will continue until the entire \$162,000 has been expended. Contact the OEC for an Alternative Fuels Rebate Handbook, which includes a list of participating fuel suppliers and a rebate application. The OEC toll-free number is (800) OEC-6662. For additional information, contact Tom Brotherton or Kate Fay at (303) 620-4292.

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State Incentives (cont.)

§ Until June 30, 1998, House Bill (HB) 92-1191 provides a 50% income tax credit to vehicle owners who convert their vehicle to run on an alternative fuel or purchase an AFV. Clean burning alternative fuels are defined as natural gas, LPG, E85 (85% ethanol), M85 (85% methanol), electricity, or any other alternative fuel approved by the Air Quality Control Commission. The credit cannot exceed 50% of the actual cost of the conversion or the incremental cost of the manufacturer's original equipment, and is limited to a total of 50 cars and trucks for each taxable year. For more information, contact Richard Giardini at (303) 866-3032.

Colorado has enacted a Clean Fuel Fleet Program, beginning in 1998, to reduce exhaust emissions from motor vehicles by requiring fleets with 10 or more vehicles to include clean fuel vehicles (CFVs) in their fleets on a percentage basis. This program will apply to all or part of the counties of Adams, Arapaho, Boulder, Denver, Douglas, and Jefferson. By purchasing CFVs or converting conventionally fueled vehicles to CFVs, fleet owners and operators will generate credits that they can earn, bank, trade, sell, or purchase to satisfy Clean Fuel Fleet Program purchase requirements. Instead of purchasing/acquiring CFVs, eligible fleets could use previously banked, traded, or purchased credits as a means of meeting their future CFV purchase requirements. Contact Macie LaMotte, Jr., Environmental Protection Specialist, at (303) 692-3133 for more information about the Clean Fuel Fleet Program and the credit program.

Utilities/Private Incentives

Most Colorado natural gas utilities support alternative fuel projects by contributing to the state public/private rebate program through the OEC. In addition:

Colorado Interstate Gas Company provides incentive funding on a case-by-case basis and offers technical assistance to customers in converting vehicles to run on natural gas. Contact Skip Simonton at (719) 520-4527 for more information.

Natural Fuels, offers a broad range of products and services for the natural gas and propane vehicle industries, including over 40 public compressed natural gas (CNG) fueling stations in and around Colorado, a vehicle conversion and parts operation, and a natural gas fueling station equipment business headquartered in Denver. For more information, contact John Gonzales or Paul Nelson at (303) 322-4600.

The National Ethanol Vehicle Coalition (NEVC) is an ad hoc group created by the National Corn Growers Association (NCGA) and the Governors' Ethanol Coalition (GEC) to establish a national program to promote the use of 85% ethanol fuel (E85) as an alternative fuel, enhance agricultural profitability, advance environmental stewardship, and further national energy independence. Through a cooperative effort with the NCGA and its state affiliates, the GEC, state energy offices, and DOE, NEVC provides forgivable loans for the installation of public E85 fueling facilities. For more information, contact Phil Lampert at (573) 635-8445 or Sandy Hentges at (573) 636-8590.

Laws & Regulations

Colorado Senate Bill 96-097 gives liquefied natural gas (LNG) vehicles an increased weight limit to account for the heavier tank.

Colorado House Bill (HB) 93-1114 defined the term "gasoline gallon equivalent" of an alternative motor fuel to equate to the energy content of gasoline.

In 1993, Denver's Mayor promised to reduce the size of city fleets and to stock them with less-polluting vehicles. Under the "Green Fleets" plan, fuel expenditures must be cut by 1% annually, and city fleets must reduce their carbon monoxide emissions by 1.5%.

Colorado HB 92-1305 established a certification program for mechanics converting motor vehicles to alternative fuels and working on alternative fuel fleets.

Denver's City Council passed an ordinance in 1992 requiring all fleets of 30 or more vehicles to convert 10% of their vehicles to alternative fuels.

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Laws & Regulations (cont.)

Colorado HB 90-1257 removed the sale of natural gas as a transportation fuel from the jurisdiction of the Public Utilities Commission and established a plan to introduce AFVs into the state government fleet.

Colorado HB 89-1081 created aftermarket emissions-based alternative fuels system equipment certification for conversions.

Fuel tax exemptions for CNG or LPG are included in HB 88-1161. Instead of paying the 22¢ per gallon tax on gasoline, owners of gaseous fueled vehicles purchase an annual tax decal for \$70, \$100, or \$125, based on the gross weight of the vehicle. All CNG and LPG vehicles must display a current fuel tax decal in the front window. Non-profit transit agencies are exempt from the fuel tax.

Regulation 14 of the Colorado Air Quality Control Commission established emissions performance criteria that aftermarket conversion systems must meet.

Points of Contact

Colorado Springs Clean Cities Coordinators

Lynn Wilkinson (719) 668-3502
Colorado Springs Utilities

Barbara Garrett (719) 668-3507
Colorado Springs Utilities

Denver Clean Cities Coordinator

Deborah Kielian (303) 436-7323
City and County of Denver

Weld/Larimer/Rocky Mountain National Park (RMNP) Clean Cities Coordinator

Linda Devocelle (970) 221-6312
City of Fort Collins

Colorado State Energy Office

Governor's Office of Energy Conservation (OEC)
Tom Brotherton (303) 620-4292
Kate Fay (800) OEC-6662

Colorado Department of Revenue

Richard Giardini (303) 866-3032

Clean Fuel Fleet Program

Macie LaMotte, Jr. (303) 692-3133

Colorado Interstate Gas Company

Skip Simonton (719) 520-4527

Natural Fuels

John Gonzales (303) 322-4600
Paul Nelson

National Ethanol Vehicle Coalition

Phil Lampert (573) 635-8445
Sandy Hentges (573) 636-8590

Metropolitan Planning Organizations

Denver Regional Council of Governments

George Scheuernstuhl (303) 455-1000

Pikes Peak Area Council of Governments

Ken Prather (719) 471-7080

Colorado State Transportation Contact

Jennifer Finch (303) 757-9525

U.S. Department of Energy

Regional Support Office

Denver Regional Support Office
Ernie Oakes (303) 275-4817

U.S. Department of Transportation Contacts

Federal Highway Administration

Region 8
Robin Smith (303) 969-6712
extension 327

Federal Transit Administration

Region 8
Don Cover (303) 844-3242

General Services Administration

Regional Fleet Manager

Region 8
Irv Merwin (303) 236-7591

U.S. Environmental Protection Agency

Regional Pollution Prevention Coordinators

Region 8
Sharon Riegel (303) 312-6176
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